

Message Text

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15

ORIGIN EB-11

INFO OCT-01 EA-11 ISO-00 L-03 FTC-01 COME-00 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 OMB-01 STR-08 /047 R

DRAFTED BY EB/CBA/BP:GRPOWERS:VJW

APPROVED BY EB/CBA/BP:HJWINTER

EB/CBA/BP: RJBUSHNELL

EA/J - WPIEZ

L/EB - MSPIEGEL (INFO)

FTC - JGARSON (SUBS)

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R 311952Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

UNCLAS STATE 114565

E.O. 11652: N/A

TAGS: ETRD, US

SUBJECT: ANTITRUST: ELECTRONIC AUDIO COMPONENTS

1. IN ACCORDANCE WITH THE 1967 OECD NOTIFICATION PROCEDURE, THE EMBASSY IS REQUESTED TO NOTIFY FORMALLY THE JAPANESE FOREIGN MINISTRY, SECOND INTERNATIONAL ORGANIZATION SECTION, AND THE JAPANESE FAIR TRADE COMMISSION OF A U.S. FEDERAL TRADE COMMISSION (FTC) ANTITRUST INVESTIGATION WHICH INVOLVES THREE U.S. REGISTERED SUBSIDIARIES OF JAPANESE FIRMS.

2. THE FTC INVESTIGATION IS DIRECTED AT ALLEGED VERTICAL PRICE-FIXING IN THE AUDIO COMPONENT INDUSTRY IN STATES WHICH DO NOT PERMIT "FAIR TRADE" PRICING PRACTICES. THE ALLEGATION IS THAT CERTAIN MANUFACTURERS AND DISTRIBUTORS ENFORCE "FAIR TRADE" PRICE RESTRICTIONS (WHICH ARE PERMITTED IN CERTAIN STATES) IN NON-FAIR TRADE STATES.

3. FIVE COMPANIES ARE PRIMARY SUBJECTS OF THE INVESTIGATION. TWO ARE WHOLLY AMERICAN AND THE OTHER THREE ARE UNCLASSIFIED

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SUBSIDIARIES OF JAPANESE MANUFACTURERS: JVC AMERICA, INC.,

SANSUI ELECTRONIC CORP., AND U.S. PIONEER ELECTRONICS CORP.
THERE IS NO INDICATION AT PRESENT IF AND WHEN THE INVESTI-
GATION MIGHT RESULT IN ANY LEGAL CHARGES BEING BROUGHT.

4. THE U.S. FTC WISHES THE EMBASSY TO ADVISE THE JAPANESE

FTC INFORMALLY THAT ANY COMMENTS, SUGGESTIONS OR QUES-
TIONS CONCERNING THIS INVESTIGATION WILL BE WELCOME. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE LAW, BUSINESS FIRMS, INVESTIGATIONS, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE114565
Document Source: CORE
Document Unique ID: 00
Drafter: GRPOWERS:VJW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740139-0574
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974052/aaaaabhe.tel
Line Count: 69
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 05 NOV 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 NOV 2002 by boyleja>; APPROVED <08 JAN 2003 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANTITRUST: ELECTRONIC AUDIO COMPONENTS
TAGS: ETRD, US, JA, FTC
To: TOKYO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005